

Auditor-Controller

Katherine Martinis, Auditor-Controller

MISSION STATEMENT

To maintain the financial integrity of the County by providing County departments, special districts, and the citizens of Placer County with clear, accurate and responsive financial services and by providing an environment that promotes the safeguarding of County assets.

Appropriation	Actual 2002-03	Position Allocations	BOS Adopted 2003-04	Position Allocations
Auditor-Controller	\$ 2,774,574	44	\$ 3,437,565	44
Debt Service	1,160,594	0	2,717,935	0
Total:	\$ 3,935,168	44	\$ 6,155,500	44

Auditor-Controller

To enhance the public's trust by acting as guardian of funds administered for the County, cities, schools and special districts and provide an independent source of financial information and analysis.

Debt Service

To provide funding for repayment of long-term lease payment obligation, as well as the associated costs for administering trustee bank and for required annual disclosure statements.

FY 2002-03 Major Accomplishments

Was awarded, for the first time, the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001.

Prepared the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, using the new governmental financial reporting model (GASB 34). Compilation was done in-house for the first time in over 20 years, resulting in a cost savings.

Submitted for award the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002.

In conjunction with the Personnel Department, embarked on the selection and implementation of a new, integrated payroll/personnel system.

As a part of the Finance Committee successfully securitized the Master Settlement Agreement revenues, contributing over \$39 million to fund the Capital Facilities Financing Plan.

FY 2003-04 Planned Accomplishments

Work in partnership with departments and the County Executive Office to develop a new classification structure that will enhance current cost-tracking practices in support of the Governing for Results Initiative.

Implement a self-assessment program with county departments to evaluate and strengthen their internal control environments.

Complete setup of internal audit unit, and risk assessment in order to prepare a comprehensive audit plan.

Earn the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the year ended June 30, 2003.

Continue in-house and timely preparation of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2003.

Administration & Financial Services

Auditor-Controller

Katherine Martinis, Auditor-Controller

Department Comments

This office was very proud to have been awarded the coveted Certificate of Achievement this past year. It is a tangible indicator that our efforts to improve are paying off. However, there is still much to do. Over the next few years we will be implementing a new payroll system, performing a countywide review and assessment of the internal-control structure, and assisting departments in the development of new classification structures. In addition, we are committed to training and developing staff to fill the gaps in knowledge caused by attrition.

Efficiencies realized through the computerized accounting system have enabled the Auditor-Controller's staff to dedicate more time to analysis and oversight of the accounting functions. We expect this will result in the provision of better and timelier financial information and enhanced support services to departments.

County Executive Comments And Recommendations

The net county cost for the Auditor-Controller's budget has increased due to increases in salaries and benefits and decreases in revenues. Salaries and benefits have increased to include the full-year costs for positions added in FY 2002-03, and two additional positions to assist in the implementation of the new Payroll/Personnel System. The Auditor-Controller receives revenues for Auditor-Controller services, tax administration, and reimbursements from the Countywide Systems Fund for payroll-system maintenance. Revenue for Auditor-Controller services has decreased because the Courts no longer require services. The state of California has indicated that payment to local governments for state mandate claims (SB-90) will be deferred (\$6,090), and while the county will invoice the state for these activities, we do not expect to receive those funds in FY 2003-04. The reimbursement for payroll-system maintenance and Performance Accounting System (PAS)-report storage has decreased to reflect a decrease in the associated costs. These revenue decreases are partially offset by increases in charges for tax administration and a small increase in supplemental tax revenue.

Final Budget Changes from the Proposed Budget

Financial responsibility for the countywide single audit was transferred to the Auditor-Controller from County Executive Office beginning in 2003-04. Expenditures were increased in the final budget by \$146,082 to cover the cost of the audit, partially offset by increases in inter fund transfers (\$4,550) and revenue (\$13,625) reimbursements from other funds and agencies. The County Executive Office appropriation was reduced by these same amounts.

Carryover fund balance in the *Debt Service* budget was allocated to estimated principal and interest expense for debt service (\$686,486), and the contribution from the General Fund was reduced (\$49,874).

AUDITOR-CONTROLLER

FUND 100 / 10250

	Actual 2001-02	Actual 2002-03	Requested 2003-04	Recommended 2003-04	Change %	Adopted 2003-04
Expenditures						
Salaries and Employee Benefits	\$ 2,228,380	\$ 2,514,154	\$ 3,158,526	\$ 3,124,873	24%	\$ 3,124,873
Services and Supplies	427,232	370,999	282,050	277,050	-25%	423,132
Intra Fund Charges	1,555	2,968	15,880	6,710	126%	6,710
Gross Budget:	2,657,167	2,888,121	3,456,456	3,408,633	18%	3,554,715
Intra Fund Credits	(155,893)	(113,547)	(112,600)	(112,600)	-1%	(117,150)
Net Budget:	\$ 2,501,274	\$ 2,774,574	\$ 3,343,856	\$ 3,296,033	19%	\$ 3,437,565
Revenue						
Fines, Forfeits and Penalties	\$ 1,317	\$ 1,810	\$ 1,000	\$ 1,000	-45%	\$ 1,000
Revenue from Use of Money and Property	6,325	1,118	1,000	1,000	-11%	1,000
Intergovernmental Revenue	72,352	48,071	9,090	3,000	-94%	3,000
Charges for Services	646,561	728,551	709,182	731,182	0%	744,807
Miscellaneous Revenue	5,400	86	-	-	-100%	-
Other Financing Sources	101,179	36,566	91,325	59,325	62%	59,325
Total Revenue:	\$ 833,134	\$ 816,202	\$ 811,597	\$ 795,507	-3%	\$ 809,132
Net County Cost:	\$ 1,668,140	\$ 1,958,372	\$ 2,532,259	\$ 2,500,526	28%	\$ 2,628,433
Allocated Positions	40	44	44	44	0%	44

Administration & Financial Services

Auditor-Controller

Katherine Martinis, Auditor-Controller

CORE FUNCTION: AUDITOR-CONTROLLER

Accounts Payable Program

Program Purpose: To pre-audit all claims for payments submitted by County departments and to process payments for special districts to ensure that county bills are paid on time and accurately.

Total Expenditures: \$782,270

Total Staffing: 15.0

- **Key Intended Outcome:** Accurate and timely payment of county obligations.

Accounts Payable Indicators:	Projected 2002-03	Actual 2002-03	Target 2003-04
# of vendor payments issued	68,900	65,000	69,700
\$ cost per vendor payment issued	\$9.94	\$10.38	\$11.46
#/% of vendor payments reissued due to error	50/0.0007%	50	0/0%
#/% of 1099 reissued due to error	0.0004%	0%	0%

Financial Reporting Program

Program Purpose: To maintain accounting records for the County and those districts that keep funds in the County treasury and to prepare various reports for the public, Board of Supervisors and County departments in order to provide assurance that the financial position is presented fairly and accurately.

Total Expenditures: \$945,242

Total Staffing: 7.5

- **Key Intended Outcome:** Fair and accurate presentation of financial information.

Financial Reporting Indicators:	Projected 2002-03	Actual 2002-03	Target 2003-04
# of audit findings	0	N/A	0
Clean audit opinion of the CAFR from the external audit team	Yes	N/A	Yes
Receipt of the GFOA Certificate of Achievement Award	Yes	N/A	Yes

Internal Audits Program

Program Purpose: To conduct independent audits, reviews and analyses to assist County management to improve efficiency and effectiveness of programs and functions, to safeguard county assets, and to meet financial reporting requirements.

Total Expenditures: \$260,756

Total Staffing: 3.5

Administration & Financial Services

Auditor-Controller

Katherine Martinis, Auditor-Controller

- **Key Intended Outcome:** Ensure compliance with policies and procedures and to minimize losses from fraud or misappropriation.

Internal Audits Indicators:	Projected 2002-03	Actual 2002-03	Target 2003-04
# of audits performed	2	2	4
# of internal control deficiencies corrected	3	18	5
\$ cost savings/revenue enhancements identified	\$10,000	\$17,030	\$10,000

Payroll Services Program

Program Purpose: To provide timely and accurate preparation, distribution and reporting of payroll to County departments and special districts in order to ensure accurate paychecks and compliance with reporting requirements.

Total Expenditures: \$1,077,053

Total Staffing: 12.0

- **Key Intended Outcome:** Accurate paychecks and compliance with state and federal reporting requirements.

Payroll Services Indicators:	Projected 2002-03	Actual 2002-03	Target 2003-04
# of W2s reissued due to errors	0	0	0
% of W2s reissued due to errors	0%	0%	0%
# of payroll checks issued	88,400	78,181	78,000
\$ cost per payroll check issued	\$8.71	\$8.20	\$11.35

Property Tax Services Program

Program Purpose: To calculate property-tax rate and process changes to the property-tax roll in order to accurately apportion and distribute property-tax revenue to the County, cities, schools and special districts.

Total Expenditures: \$391,135

Total Staffing: 6.0

- **Key Intended Outcome:** Property tax is distributed accurately and on time.

Property Tax Services Indicators:	Projected 2002-03	Actual 2002-03	Target 2003-04
# of entities receiving tax distribution	330	330	330
% distributed within statutorily mandated time frames	100%	100%	100%
% of taxes distributed without error	99%	99%	100%

Administration & Financial Services

Auditor-Controller

Katherine Martinis, Auditor-Controller

DEBT SERVICE FUND 190 / APPROPRIATION 89360

	Actual 2001-02	Actual 2002-03	Requested 2003-04	Recommended 2003-04	Change %	Adopted 2003-04
Expenditures						
Services and Supplies	\$ 344	\$ 16,987	\$ 14,227	\$ 14,227	-16%	\$ 14,227
Other Charges	1,998,356	2,009,968	2,012,223	2,012,223	0%	2,698,708
Intra Fund Charges	9,000		-	5,000	100%	5,000
Gross Budget:	<u>2,007,700</u>	<u>2,026,955</u>	<u>2,026,450</u>	<u>2,031,450</u>	0%	<u>2,717,935</u>
Intra Fund Credits	(863,700)	(866,361)	(1,013,736)	-	-100%	-
Net Budget:	<u>\$ 1,144,000</u>	<u>\$ 1,160,594</u>	<u>\$ 1,012,714</u>	<u>\$ 2,031,450</u>	75%	<u>\$ 2,717,935</u>
Revenue						
Fines, Forfeits and Penalties	\$ 447,808	\$ -	\$ -	\$ -	0%	\$ -
Revenue from Use of Money and Property	130,629	142,980	136,312	121,112	-15%	121,112
Charges for Services	301,402	-	-	-	0%	-
Miscellaneous Revenue	325,000	1,075,555	876,402	1,910,338	78%	1,860,464
Total Revenue:	<u>\$ 1,204,839</u>	<u>\$ 1,218,535</u>	<u>\$ 1,012,714</u>	<u>\$ 2,031,450</u>	67%	<u>\$ 1,981,576</u>
Net County Cost:	<u>\$ (60,839)</u>	<u>\$ (57,941)</u>	<u>\$ -</u>	<u>\$ -</u>	-100%	<u>\$ 736,359</u>
Allocated Positions	0	0	0	0	0%	0

In 1994, Placer County borrowed \$4.58 million from the North Lake Tahoe Financing Authority through a lease-purchase agreement financed by certificates of participation, for the construction of a new jail kitchen and certain energy-conservation improvements. In February 1997, the County borrowed an additional \$15 million from the North Lake Tahoe Financing Authority to construct a new Administrative and Emergency Services Building. Both borrowings were for 27½ years, with October 1, 2021 the final repayment date for the jail kitchen and June 1, 2024 for the administrative building. In May 1998, the County borrowed \$13.2 million to construct the new Juvenile Detention Facility and refinanced the 1994 jail kitchen due to lower interest rates, with retirement of the 1994 issue. The Juvenile Hall portion of the new borrowing was for 27 years with the final payment due July 2025.

Placer County has no outstanding general-obligation bonded debt. Certificates of Participation (COPs) funded the debt issues referenced above, which were used to construct the three county facilities indicated. COPs are lease-purchase financings, which use a third party nonprofit or governmental entity (the North Lake Tahoe Financing Authority, in the subject financings) as the lessor. Unlike general obligation debt, property taxes are not increased to pay the principal and interest on COPs. Instead, the lease principal and interest are paid through use of the ongoing, regular revenues of the issuer and/or with special revenues, such as certain trust funds, that may be used for capital outlay. COPs are also different from revenue bonds. Revenue bonds typically finance utility-type facilities or infrastructure, such as a water-or sewage-treatment facility, and are typically repaid from pledged revenues from services, such as water or sewer fees. The County has issued revenue bonds for the Eastern Regional Landfill, the repayment of which is funded from various landfill and related revenues in that budget (02890). In addition, the County has issued certain conduit and special assessment debt, which is secured directly by the underlying land and improvements.

Administration & Financial Services

OFFICE OF THE AUDITOR-CONTROLLER
APPROPRIATION SUMMARY
Fiscal Year 2003-04

ADMINISTERED BY: AUDITOR-CONTROLLER

Appropriations	FY 2002-03		FY 2003-04	
	Actual	Position Allocations	BOS Approved Budget	Position Allocations
GENERAL FUND				
Auditor-Controller	\$ 2,774,574	44	\$ 3,437,565	44
OTHER OPERATING FUND				
Debt Service ¹ - Fund 190	1,160,594	0	2,717,935	0
TOTAL ALL FUNDS	\$ 3,935,168	44	6,155,500	44

¹The Debt Service Fund was transferred to the Auditor-Controller's Office from the County Executive Office effective FY 2003-04. The FY 2002-03 Final Budget Allocation is shown here for presentation purposes.

Auditor-Controller

General Fund

Fund: 100

Subfund: 0

Appropriation: 10250

Budget Category (1)	Actual 2001-02 (2)	Actual 2002-03 (3)	Dept Req 2003-04 (4)	CEO Rec 2003-04 (5)	BOS Adopted 2003-04 (6)
Salaries & Benefits					
1001 Employee Paid Sick Leave	8,462	4,421	6,400	1,500	1,500
1002 Salaries and Wages	1,720,138	1,886,862	2,242,436	2,251,436	2,251,436
1003 Extra Help	16,203	3,086	10,000	10,000	10,000
1005 Overtime & Call Back	8,020	5,598	10,000	10,000	10,000
1006 Sick Leave Payoff	24,928	65,797			
1007 Comp for Absence-Illness	10,792				
1300 P.E.R.S.	118,062	130,349	282,546	247,097	247,097
1301 F.I.C.A.	131,373	144,877	173,076	173,374	173,374
1310 Employee Group Ins	177,643	235,900	387,493	387,493	387,493
1315 Workers Comp Insurance	12,759	37,264	46,575	43,973	43,973
Total Salaries & Benefits	2,228,380	2,514,154	3,158,526	3,124,873	3,124,873
Services & Supplies					
2050 Communications - Radio	600				
2051 Communications - Telephone	37,813	40,377	40,700	40,700	40,700
2290 Maintenance - Equipment	17,078	8,056	10,825	10,825	10,825
2292 Maintenance - Software		4,109	6,700	6,700	6,700
2404 Maintenance Services		446			
2439 Membership/Dues	2,006	5,271	1,340	1,340	1,340
2481 PC Acquisition		9,125			
2511 Printing	17,431	13,290	15,500	15,500	15,500
2522 Other Supplies		18			
2523 Office Supplies & Exp	85,930	77,233	65,000	60,000	60,000
2524 Postage	30,640	29,340	35,500	35,500	35,500
2528 Services		82			
2555 Prof/Spec Svcs - Purchased	150,552	75,617	55,000	55,000	201,082
2709 Rents & Leases - Computer SW	9,621	10,485	11,500	11,500	11,500
2710 Rents & Leases - Equipment			18,500	18,500	18,500
2838 Special Dept Expense-1099 Repor		23,818			
2840 Special Dept Expense	53,787	54,169	2,235	2,235	2,235
2842 Tuition Reimbursement		47			
2844 Training	7,994	7,015	7,500	7,500	7,500
2860 Library Materials		19			
2931 Travel & Transportation	13,702	11,456	10,550	10,550	10,550
2932 Mileage	22	970			
2941 County Vehicle Mileage	56	56	1,200	1,200	1,200
Total Services & Supplies	427,232	370,999	282,050	277,050	423,132
Charges From Departments					
5290 I/T Maintenance - Equipment	321	388			
5310 I/T Employee Group Insurance			9,000		
5405 I/T Maintenance - Bldgs & Improvem	624	177	1,540	1,540	1,540
5523 I/T Office Supplies & Expenses		20			
5552 I/T - MIS Services	170	85	5,340	5,170	5,170
5555 I/T Prof/Special Services - Purchase		2,062			
5556 I/T - Professional Services		36			
5840 I/T Special Dept Expense	240				
5844 I/T Training	200	200			
Total Charges From Departments	1,555	2,968	15,880	6,710	6,710
Gross Budget	2,657,167	2,888,121	3,456,456	3,408,633	3,554,715

Auditor-Controller

General Fund

Fund: 100

Subfund: 0

Appropriation: 10250

Budget Category (1)	Actual 2001-02 (2)	Actual 2002-03 (3)	Dept Req 2003-04 (4)	CEO Rec 2003-04 (5)	BOS Adopted 2003-04 (6)
Less: Charges to Departments					
5002 I/T - County General Fund	(109,730)	(93,867)	(110,000)	(110,000)	(110,000)
5011 I/T - Public Safety Fund	(4,397)	(1,482)	(2,600)	(2,600)	(6,944)
5015 I/T - Comm Services Fund					(206)
5022 I/T - Mental Health Fund	(41,766)	(18,198)			
Total Charges to Departments	(155,893)	(113,547)	(112,600)	(112,600)	(117,150)
Net Budget	2,501,274	2,774,574	3,343,856	3,296,033	3,437,565
Less: Revenues					
6850 Vehicle Code Fines	(1,190)	(1,810)	(1,000)	(1,000)	(1,000)
6856 Other Court Fines	(127)				
6950 Interest	(1,924)				
6951 1915 Act Bonds Interest	(4,401)	(1,118)	(1,000)	(1,000)	(1,000)
7232 State Aid - Other	(4,710)		(3,000)	(3,000)	(3,000)
7234 State Aid - Mandated Costs	(18,216)		(6,090)		
7479 Other Govts-Trial Courts	(49,426)	(48,071)			
8095 SB2557-Tax Admin Fee-Distri	12,140		(28,000)	(28,000)	(28,000)
8096 SB2557-Tax Admin Fee-Cities	6,414		(15,000)	(15,000)	(15,000)
8100 Assessment/Tax Collection Fee	(570,915)	(623,239)	(600,000)	(620,000)	(620,000)
8101 Supplemental Taxes - 5%	(52,230)	(42,423)	(21,000)	(23,000)	(23,000)
8113 Account/Audit Fees	(23,287)	(36,440)	(20,000)	(20,000)	(20,000)
8194 Investment Services	(17,674)	(26,172)	(25,182)	(25,182)	(25,182)
8212 Other General Reimbursement					(13,625)
8218 Forms and Photocopies	(1,009)	(277)			
8761 Insurance Refunds	(5,216)	(86)			
8764 Miscellaneous Revenues	(184)				
8954 Operating Transfers In	(101,179)	(36,566)	(91,325)	(59,325)	(59,325)
Total Revenues	(833,134)	(816,202)	(811,597)	(795,507)	(809,132)
Net County Cost	1,668,140	1,958,372	2,532,259	2,500,526	2,628,433

Other Debt Service

Debt Service Fund

Fund: 190

Subfund: 0

Appropriation: 89360

Budget Category (1)	Actual 2001-02 (2)	Actual 2002-03 (3)	Dept Req 2003-04 (4)	CEO Rec 2003-04 (5)	BOS Adopted 2003-04 (6)
Services & Supplies					
2555 Prof/Spec Svcs - Purchased	4,532	4,386	10,000	10,000	10,000
2709 Rents & Leases - Computer SW	(4,188)	12,455	4,227	4,227	4,227
2840 Special Dept Expense		146			
Total Services & Supplies	344	16,987	14,227	14,227	14,227
Other Charges					
3810 Lease Purchase Principal	305,000	685,000	725,000	725,000	740,000
3830 Lease Purchase Interest	1,353,356	1,324,968	1,287,223	1,287,223	1,958,708
3831 Lease Purchase Premium	340,000				
Total Other Charges	1,998,356	2,009,968	2,012,223	2,012,223	2,698,708
Charges From Departments					
5527 I/T Prof Services A-87 Costs				95	95
5550 I/T - Administration				4,905	4,905
5556 I/T - Professional Services	9,000				
Total Charges From Departments	9,000			5,000	5,000
Gross Budget	2,007,700	2,026,955	2,026,450	2,031,450	2,717,935
Less: Charges to Departments					
5002 I/T - County General Fund	(728,020)	(728,307)	(874,302)		
5008 I/T - County Office Bldg Fund	(135,680)	(138,054)	(139,434)		
Total Charges to Departments	(863,700)	(866,361)	(1,013,736)		
Net Budget	1,144,000	1,160,594	1,012,714	2,031,450	2,717,935
Less: Revenues					
6860 Forfeitures & Penalties	(447,808)				
6950 Interest	(120,629)	(132,980)	(125,200)	(110,000)	(110,000)
6965 Rents & Concessions	(10,000)	(10,000)	(11,112)	(11,112)	(11,112)
8263 Development Fees	(301,402)				
8780 Contributions from Other Funds	(325,000)	(1,075,555)	(876,402)	(1,910,338)	(1,860,464)
Total Revenues	(1,204,839)	(1,218,535)	(1,012,714)	(2,031,450)	(1,981,576)
Net County Cost	(60,839)	(57,941)			736,359